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SUBJECT: COLOMBIA SCENESETTER FOR CODEL CORNYN, JULY 3-5

Summary

1. (SBU) Post warmly welcomes the July 3-5 visit of CODEL Cornyn to Colombia. President Alvaro Uribe was re-elected in May; he is the first president to be re-elected to a second, consecutive term in Colombia's history. Close bilateral relations between the United States and Colombia are expected to continue in his second term, which will begin with his second inauguration on August 7. With USG assistance, President Uribe has made great strides in fighting drug trafficking and terrorism. President Uribe recognizes U.S. support as key for the success of the nation-wide, multi-phased offensive by the security forces to re-take key territory from the Revolutionary Armed Forces of Colombia (FARC). As a result of joint U.S.-Colombian efforts, drug eradication and interdiction are at record levels. USAID programs are aimed at strengthening democratic institutions, creating alternative development opportunities, and assisting people displaced by internal violence. Colombia's human rights record, although imperfect, is improving. The peace process with the United Self-Defense Forces of Colombia (AUC) has resulted in the demobilization of over 30,000 paramilitaries, but rigorous implementation and application of the Justice and Peace Law are keys to ensuring that both the goals of justice and peace are realized. Exploratory talks with the National Liberation Army (ELN) are focused on establishing an agenda for formal negotiations and a ceasefire agreement. Immediately after his re-election, Uribe declared FARC peace talks to be the first priority of his second term; the FARC has lately responded to these overtures with interest and demands. A first step would be a humanitarian exchange, including the three U.S. citizens who have been held hostage by the FARC for more than three years; their safe recovery continues to be one of our top priorities. The economy continues to improve and the United States and Colombia concluded Free Trade Agreement negotiations in February. Relations with neighboring countries are generally good.

Internal Politics

2. (SBU) President Uribe is the first Colombian president to be re-elected to a second, consecutive term. He was re-elected on May 28 with 62 percent of the vote, and 2 million more votes than the coalition of pro-Uribe parties that won a collective majority in the House and Senate on March 12. The left-leaning Polo Democratico Alternativo party presidential candidate, Carlos Gaviria, won 22 percent of the vote, giving the left its best ever showing in

Colombia and spurring potentially premature speculation as to a 2010 presidential victory. The Liberal party received 12 percent of the vote, coming in third for their first time in more than 40 years. The fate of Colombia's two traditionally dominant parties, the Liberals and the Conservatives (who are part of the pro-Uribe coalition), remains unclear. Uribe's second inauguration will be held August 7, 2006.

U.S. Assistance Key to Security Improvements

13. (SBU) USG assistance to Colombia (Plan Colombia) is premised on combating the interrelated threats of drug trafficking and terrorism and includes training, material aid, and guidance to security forces and other institutions. President Uribe and Colombian Minister of Defense (MOD) Camilo Ospina Bernal have characterized U.S. assistance as key to the GOC's "Democratic Security" policy - aimed at establishing a state presence throughout national territory - and acknowledged the United States as Colombia's most important ally.

-- Plan Patriota: The military's multi-phased campaign to re-take areas dominated by the FARC is in its third year. The first phase, which focused on securing Cundinamarca Department, which surrounds Bogota, pushed the FARC out of reach of the capital. The second, much more complex phase, is focused on the FARC's traditional stronghold in Southern Colombia. Infectious diseases - especially leishmaniasis, a parasitic skin infection - and landmines are the leading causes of military casualties. The FARC continues to attack isolated or smaller police and military targets throughout the country, while mostly avoiding direct and larger scale confrontation with units operating under Joint Task Force Omega in the Plan Patriota area of operations. Two notable exceptions include the late December 2005 attack that killed 29 Colombian soldiers just outside of La Macarena National Park and two attacks on civilians, resulting in 17 dead and 14 injured, in Southern Colombia in late February, a few weeks before the March 12 Congressional elections. The May 28 presidential elections, however, were the least violent in recent history; the FARC leadership publicly renounced operations during election weekend and encouraged voting against Uribe.

-- Center for Coordinated Integral Action: With support from the U.S. MILGRP, the GOC formed in 2005 an interagency center to facilitate social services in seven areas that have traditionally lacked state presence and been subject to pressure from illegal armed groups. The Center focuses on providing immediate social services, including documentation and medical assistance, and longer-term economic development projects. In addition, more than 40,000 individuals have been enrolled in state health care, and judges, investigators, and public defenders have been placed in all 16 municipalities of the Plan Patriota area. A public library was opened in early 2006 in the town of San Vicente del Caguan, which had long been dominated by the FARC and had symbolic value.

-- Plan Colombia II: The GOC has provided Washington with a draft proposal of Plan Colombia II. Most of the program areas outlined are a continuation of the same goals the U.S. has supported since Plan Colombia's inception in 2000. The programs and projected costs of this next phase of Plan Colombia are under discussion.

Drug Eradication and Interdiction

14. (SBU) Eradication and interdiction are at record levels. The aerial eradication program sprayed over 140,000 hectares of coca and opium poppy in 2005 and has sprayed more than 80,000 of coca and 231 of poppy as of June 15, 2006. The program surpassed its 2005 goal of 130,000 total hectares,

but did not reach its stated goal of 3,000 hectares of poppy.

Eradication pilots are having a hard time locating poppy crops, despite devoting more spray weeks to opium.

15. (SBU) The GOC asserts that it manually eradicated an additional 32,000 hectares of coca in 2005. Manual eradication is a high-cost, high-risk program that combines illicit crop eradication with job creation, and finesses the health and environmental controversies surrounding aerial eradication. President Uribe is a proponent of manual eradication. He launched an ambitious program in January to manually eradicate coca in La Macarena National Park. The Embassy is offering support for this effort, but three FARC attacks killed 12 policemen and civilian eradicators in February and March. The GOC claims to have manually eradicated over 9,300 hectares of coca and 52 of poppy as of June 15, 2006.

16. (SBU) Interdiction operations in 2005 met or exceeded 2004's record seizures. GOC security forces destroyed 134 cocaine HCl processing laboratories in 2005 and seized record amounts of processed cocaine (179 metric tons) and coca base. Colombian National Police (CNP) interdiction units are also concentrating on capturing high value leadership targets of the FARC, ELN, and AUC, and have had several successes in seizing secondary leaders.

U.S. Assistance to Development and Democracy Building

17. (U) The USAID Mission in Colombia continues to fund programs in three key strategic sectors. USAID's Democratic Governance programs aim to improve the transparency of the justice system, assist the peace process, promote respect for human rights, support democratic processes and foster efficiency and accountability. USAID programs also promote legal alternative development opportunities through increased competitiveness, improved local government infrastructure and management, and a more favorable environment for investment and trade. Colombia has the third largest population of internally displaced persons. USAID has provided support to nearly 2.5 million Colombians displaced by internal violence. As part of its efforts to assist the displaced and vulnerable, USAID supports children who have been forced to serve as child combatants.

Military Justice and Improved Human Rights Record

18. (SBU) The Uribe Administration continues to make steady progress on human rights cases involving military abuse or collaboration with paramilitaries. We continually emphasize the importance of creating a system that delivers credible findings to ensure expeditious justice for both the innocent and the guilty. In April 2005, Military Penal Justice Director General Puentes submitted a comprehensive military justice reform package, both for expediting case processing and converting to an accusatory system; congressional approval is pending. A recent incident in which Colombian army soldiers allegedly killed 10 members of an elite judicial police squadron in Jamundi, Valle Department provoked a GOC proposal for even more radical reform, transferring investigative power to the civilian Prosecutor General (details of this plan are scheduled for release in July).

19. (U) Human rights training is mandatory for all members of the military and police. Less than two percent of human rights violations are attributable to government security forces, according to GOC statistics. Other indicia support the general improvement in Colombia's human rights record. Homicides fell by 16 percent - to the lowest level in 18 years - kidnappings by 62 percent, and forced displacements by 27 percent in 2005, building on trends from previous years. The GOC has an active dialogue with NGOs, the United Nations, and foreign governments.

Extradition

¶10. (SBU) President Uribe is a strong supporter of the U.S.-Colombia extradition relationship. Since taking office, he has approved more than 350 extraditions of criminals to the United States. In 2005, Uribe suspended the extradition of two AUC leaders, Don Berna and Salvatore Mancuso, to ensure continued AUC demobilization.

Demobilization and Peace Process

¶11. (SBU) The GOC began negotiations with the United Self-Defense Forces of Colombia (AUC) in 2002. The AUC demobilization process is drawing to a close and nearly all AUC members (more than 30,000) have demobilized since 2003. The last two groups are expected to demobilize in July. A few, small groups have opted not to participate in the demobilization and will not be eligible to participate in GOC reinsertion programs or for alternative penalties. Over 10,000 illegal armed group members (from the FARC, ELN and AUC) have individually deserted and entered the government's reinsertion program since 2002. The program has limited funding and logistical problems, but is slowly improving. Colombia has requested U.S. aid for the demobilization and reinsertion process. The Department is currently in discussions with Congress on offering direct U.S. financial support for demobilization. The USG has also demarched numerous allies, with some success, to financially support these processes.

¶12. (SBU) President Uribe signed the Justice and Peace Law, which governs demobilization for ex-paramilitaries, in July ¶2005. The Law offers demobilized terrorists up to a eight-year sentence, followed by two-and-a-half to four-year parole period, but only if they fully demobilize, turn over all assets, release all hostages and child soldiers, and give reparations (actual or symbolic) to victims. Individuals or groups organized for drug trafficking or illicit enrichment are not eligible for reduced sentences and only crimes committed during membership in, and the service of, the illegal armed group are eligible. Rigorous implementation of the Law is key to ensuring both peace and justice in Colombia.

¶13. (SBU) The National Liberation Army (ELN) began preliminary discussions with the GOC in Cuba in December 2005 aimed at laying the groundwork for peace talks. A second round of these talks took place in February and a third in April; a fourth round is scheduled for August. Since his re-election, Uribe has again raised the possibility of a humanitarian exchange of prisoners with the FARC. In recent weeks, the FARC has shown some interest in such an exchange, but it remains to be seen if they will follow through, especially after declaring in early 2006 that they would not work with Uribe if re-elected.

U.S. Hostages

¶14. (SBU) The three U.S. contractors captured by the FARC in February 2003 are now the longest held U.S. political hostages in the world. Their safe release continues to be one of our top priorities. The Colombians are providing full assistance. Uribe has assured us that the U.S. hostages will be included in any humanitarian exchange. The FARC, too, has included the U.S. hostages when addressing the possibility of an exchange. The Embassy held a commemoration ceremony on February 13, marking the third anniversary of their capture.

Positive Economic Outlook

¶15. (U) Tremendous gains in security have helped the Colombian economy. In 2005, Colombia's gross domestic product (GDP) increased by 5.2 percent. Inflation was 4.86 percent, the lowest in 50 years. Foreign Direct Investment increased to 5.6 billion, an increase of 50 percent over ¶2004. The largest U.S. investors, Drummond (coal) and ChevronTexaco and ExxonMobil, are in the hydrocarbons sector and each is planning considerable expansion due to the improved investment climate. Colombia's exports and imports each increased more than 20 percent in 2005, and the U.S. is Colombia's largest trade partner (approximately 40 percent of exports and 35 percent of imports). Colombian exports to the U.S. have increased approximately USD 1 billion per year since ATPDEA inception in late 2002, while U.S. exports to Colombia increased approximately USD 2 billion since ATPDEA. Unemployment decreased from approximately 18 percent when President Uribe took office to slightly over 12 percent in April 2006. These positive numbers have prompted the major rating agencies to upgrade Colombia to just below investment grade.

¶16. (SBU) Free Trade Agreement negotiations between the U.S. and Colombia concluded in February. The agreement will provide stronger IP protection, a stronger investment climate, and give increased market access to key U.S. industrial and agricultural exports. For Colombia, the agreement consolidates ATPDEA benefits, increases their sugar quota, and addresses some of their concerns regarding sanitary and phyto-sanitary barriers without giving the U.S. any new commitments in this area.

Regional Issues: Venezuela and Ecuador

¶17. (SBU) Venezuela is Colombia's largest trading partner and the two nations, despite differing political approaches, appear committed to maintaining a cordial working relationship.

¶18. (SBU) Colombia and Ecuador continue to grapple with the FARC's presence in Ecuador and the number of Colombians residing there. In late January, the Colombian military entered Ecuadorian territory while pursuing the FARC. The Government of Ecuador (GOE) demanded an apology, which the GOC provided, despite frustration with the lack of Ecuadorian cooperation against the FARC. The apology eased tensions, but not completely. A second GOC incursion into Ecuadorian territory alleged to have occurred in late March may be the catalyst for closer cooperation between the two countries on the FARC and border security. The GOE's international efforts to end aerial eradication along the two countries' shared border is increasingly of concern to the USG and places additional stress on the Colombia-Ecuador relationship.
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